

# A Report

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## ON THE PREMIER'S MISSION TO ASIA

November 1-21, 1993



**Alberta**  
FEDERAL AND  
INTERGOVERNMENTAL AFFAIRS


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## FOREWORD

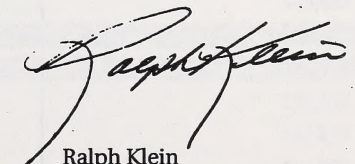
**I**n November 1993, I led a three-week mission to the Asia Pacific region to explore new trade and investment opportunities in Korea, Japan, China, Taiwan and Hong Kong. This document is a report on that mission. It outlines the importance of the Asia Pacific region to Alberta. It provides an overview of our mission objectives and outlines the prospects and opportunities for Alberta in each country we visited. The report also contains a comprehensive listing of who we met and what we did. Finally, it outlines the key elements of a government/business strategy for the Asia Pacific.

Overall, the mission reconfirmed that a large part of Alberta's future prosperity depends on our becoming a full and vibrant partner in what some are beginning to call the "Pacific Century." There is a window of opportunity opening in the Asia-Pacific that is like nothing we've ever seen before. That window has grown even wider with the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) and with the North American Free Trade Agreement (NAFTA).

Many of Asia's needs happen to coincide with Alberta's strengths in energy, agriculture, processed foods, tourism, building products and environmental services. Much of Asia is undergoing rapid modernization and industrialization. Countries are building water treatment plants, airports, roads, pipelines, apartments and hotels. China is expanding its oil and gas industry and modernizing its agriculture. China, Korea, and Taiwan want to do a better job of controlling pollution.

Major investors are looking for new investments and joint ventures in oil and gas and infrastructure development. A rapidly growing middle class across Asia is eager to try new foods and products and looking for new countries to visit. Once protected economies are becoming more open to imports and to investing overseas and accepting foreign investment at home.

The challenge for Albertans is to seize the opportunity... for government, business, educators, cities, ethnic communities, chambers of commerce and industry associations to work together in generating trade and investment that will lead to new jobs for Albertans here at home. We need to sell the Alberta Advantage with confidence and conviction because our advantages are very real... a low tax regime, pro-business climate, abundant natural resources, a highly educated workforce, clean environment, safe cities, preferred access to the U.S. and Mexico, and a proven ability to compete with the best in the world.



Ralph Klein  
Premier of Alberta

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## WHY THE ASIA PACIFIC MATTERS TO ALBERTA

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### *Economic Powerhouse: 25% of the world economy by the year 2000*

The Asia Pacific is the world's fastest growing region economically and will likely remain so with growth rate projections of 6 to 8% a year for the rest of the decade. In 1965 the Asia Pacific accounted for 12% of the global economy; by 2000 it will account for 25%.

### *An important market for Alberta: the second largest after the U.S.*

Already, the region is an important market for Alberta exports and a major source of investment in several Alberta industries. It is the largest source of immigration to Alberta; 56% of our new immigrants and 80% of our business immigrants are from Asian countries. Seven of Alberta's top 15 tourism markets are in the Asia Pacific.

In terms of trade, five of Alberta's top 10 markets are in the Asia Pacific region. As a whole, the region is Alberta's second largest foreign export market after the United States. In 1992 Alberta exports to the Asia Pacific totalled \$2.6 billion, nearly 62% of Alberta's non-U.S. exports and 15% of our total exports. The region is a growing market for Alberta's value-added goods.

### *Fast growing source of foreign investment*

The Asia Pacific is the world's fastest growing source of foreign investment. Once protected economies such as Taiwan and Korea are now global investors. Hong Kong investors are making major contributions to Alberta's economic growth through large investments in oil and gas. Taiwan has the world's largest foreign exchange reserves, estimated at Cdn \$100 billion. Even "communist" China is investing overseas, including in Alberta's oil and gas and forest sectors.

### *Alberta's Top 10 Export Markets – 1992 (\$000's)*

UNITED STATES	13,524,411
JAPAN	1,071,336
CHINA	545,785
FORMER SOVIET UNION	349,985
SOUTH KOREA	288,587
TAIWAN	146,905
UNITED KINGDOM	126,313
BRAZIL	122,976
INDONESIA	111,901
IRAN	82,979
<b>TOTAL EXPORTS:</b>	<b>\$17.7 BILLION</b>

## OUR OBJECTIVES IN ASIA

The Premier's Mission had clear objectives:

- find new markets for Alberta products and new sources of investment;
- show Alberta government support for several private sector initiatives;
- spread the word that Alberta is open for business and determined to create even more competitive conditions for investment;
- reinforce Alberta's strengths in energy, agriculture, processed foods, building products, forestry, advanced technologies and tourism;
- reinforce Alberta's reputation as a secure supplier of commodities such as wheat, coal, petrochemicals, barley and red meats;
- promote the advantages of Alberta's preferred access to the U.S. market under the NAFTA;
- encourage the removal of trade barriers to Alberta products; and,
- build on the strong links between Alberta's ethnic communities and their countries of ancestry.

The mission achieved its objectives.

***Mission accomplished: several million Asians learn about the Alberta advantage***

In all, the Premier spoke with more than 2,500 business and government officials through meetings, events, receptions and speeches. The Premier reached several million more people through the Asian print and electronic media, which carried a total of more than 75 stories on the mission.

The mission helped Alberta companies with specific projects and initiatives. It generated publicity for Alberta firms and products. It encouraged a number of Asian business leaders to take a serious look at investing in Alberta and to consider entering joint ventures with Alberta companies. The Premier answered many Asian concerns about the benefits of investing in Alberta and encouraged Asians to visit Alberta as tourists or to consider moving here as business immigrants. The Premier also lobbied for the reduction of trade barriers against Alberta agricultural products. The following section provides more detail about the Mission's results and the opportunities it identified.

### *Asia-Pacific Export Profile 1992(000's)*

	Agriculture	Mining	Oil	Manufactured Goods	Other	Total
JAPAN	357,698	300,715	--	411,281	1,640	1,071,336
CHINA	35,589	--	28,413	157,622	3,856	545,784
KOREA	26,321	116,286	19,182	126,042	754	288,587
TAIWAN	28,466	5	13,475	104,882	76	146,904
HONG KONG	2,798	4	61,297	232	232	64,330
Other	115,996	24	41,615	233,442	44,543	395,531
<b>TOTAL</b>	<b>887,173</b>	<b>417,034</b>	<b>102,684</b>	<b>1,094,567</b>	<b>11,014</b>	<b>2,512,474</b>

# THE PROSPECTS AND OPPORTUNITIES FOR ALBERTA

## K O R E A

*Korea is one of the five fastest growing economies in Asia (6 to 7% GNP growth projected for 1994) and Alberta's fourth largest export market. In 1992 Alberta exports to Korea were valued at \$289 million. Alberta's chief exports to Korea are petrochemicals, coal, agricultural products and sulphur. Currently, Canada is Korea's third most important destination for foreign investment.*

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**Alberta's fourth largest export market: 1992 sales of \$289 million**

As it continues its transformation into a modern, high-wage economy, Korea will continue to need new technologies, expertise and natural resources. Sectors with strong potential for Alberta include energy (oil sands investment, oil and gas joint ventures, increased coal exports), food (exports of beef, malting barley, and processed foods, investment in processed food), environmental technologies and services (Korea wants to control pollution and build six new hazardous waste plants), forestry investment, and telecommunications.

As well, Alberta should be expanding its tourist trade with Korea, which has a growing middle class eager to travel. Korea is also the second largest source of business immigration to Alberta, with each Korean immigrant entrepreneur contributing an average of \$110,000 and three to five new jobs to Alberta's economy.

During his two days in Seoul, the Premier encouraged business and government to consider investments in Alberta's oil sands as a way of securing future energy supplies. The Premier also encouraged Korean companies to consider joint ventures with Alberta firms to develop oil and gas projects and

infrastructure in other countries such as Russia. As well, he urged Korea to remove Korean non-tariff barriers on agricultural products such as barley, canola oil, processed forages, malt, honey and bottled water.

**"My company helps to build interest in immigration and assists business emigrants to find good investments in Alberta. Sixty business emigrants were delighted to meet the Premier during his visit to Seoul at a pre-emigration briefing. Word of the Premier's visit and his enthusiasm for attracting business was spread rapidly by those 60 investors and we have since heard from many new potential investors wanting to investigate opportunities in Alberta."**

*Demas Kim, President  
Kentrex Enterprises Ltd.*

## SPECIFIC OPPORTUNITIES AND RESULTS

- Daewoo, one of the largest corporations in Korea, with interests in securities, electronics, paper, and automobiles, is interested in investing in Alberta energy, forestry, coal and manufacturing. The company is open to forming Alberta-Korea joint ventures for oil and gas and infrastructure projects in Siberia. And it is interested in supporting a Canadian liquified natural gas project to help satisfy Korea's growing demand for this fuel.
- Hanjin Group, owners of Korean Airlines, wants to start direct flights from Seoul to Calgary. C.H. Cho, chairman of Hanjin Group, has visited Alberta and sees a considerable potential market for Korean tourists. He agreed to consider investing in tourism in Alberta.
- POSCO, the Korean national steel company, wants to diversify and is looking for investment opportunities. POSCO chairman, M.S. Chung, said interested Alberta companies should contact the POSCO office in Vancouver. POSCO now buys about 1.2 million tonnes of coking coal a year from Alberta mines.

- The Overseas Construction Association of Korea is interested in entering joint ventures with Alberta companies in Russia. The association wants to combine Korea's construction expertise with Alberta's cold weather technology and indepth knowledge of the Russian oil industry.

"The Canadian Dehydrators Association is a national industry organization representing the producers and marketers of alfalfa pellets and cubes. Almost all of the market for our members is overseas... Japan, Korea and Taiwan, are the largest clients for our products. About \$40 million a year of product is exported from Alberta in this industry, employing about 400 people and we are working hard to further develop our market in Korea and Taiwan so that we can take full advantage of the plant capacity we now have available. We work closely with both national and provincial governments in developing this market, including access and tariff issues and finding new market niches. I was pleased to invite several of my important contacts in Korea to a reception where they were able to meet Premier Klein and bolster our industry's presence in that country."

*Garry Benoit, Executive Director  
Canadian Dehydrators Association*

- Korea's Minister of Environment wants to pursue policy exchanges and joint training programs with Alberta's Ministry of Environmental Protection. The Korean Minister is considering a bid by Alternative Fuel Systems (AFS) of Calgary to convert Seoul city buses and garbage trucks from diesel to compressed natural gas. Korea is also looking at a bid by the Alberta Special Waste Management Corp. to help Korea build six new hazardous waste handling facilities.
- The Governor of Kangwon Province welcomes Alberta's help and technical assistance in mounting Kangwon's bid for the 2006 Winter Olympics. Kangwon and Alberta have been twinned since 1974.

- In Seoul, the Premier officially opened Alberta's trade office, which has been moved into the Canadian Embassy to reduce costs. The new location should improve cooperation between federal and provincial officials in Korea.
- Many potential business immigrants want to explore the opportunities in Alberta. The Premier spoke to about 60 prospective business immigrants at an investment seminar hosted by the Alberta firm, Kentrexs Enterprises Ltd.

#### MEETINGS IN KOREA

November 1-2

##### *Daewoo Corp:*

Chairman Kim, Woo Choong

Vice-president Lee, Kyung Hoong

Sr. Exec. Managing Director, Chung, Hee Choo

*Ministry of Trade, Industry and Energy*, Vice-minister Kim, Chul-Su

*Ministry of Environment*, Minister Whang, San Sung

*Korean Petroleum Development Corporation*, vice-president Lee, Kyung Woo

*Overseas Construction Association of Korea*, Chairman Hong, Soun-ghil

*Governor of Kangwon Province*, Ham Jong-Han

*Hanjin Group* Chairman, C.H. Cho

##### *Hyundai Corp:*

Chairman Lee, Choon Lim,

Exec. VP Chung, Chung Il

Director Kim, Se Choong

Director Kim, Sang Myung

*Korea ExIm Bank* Governor Kim, Young Bin

*POSCO* Chairman M.S. Chung

*Ken Trexs Business Immigrant Seminar* participants

#### PUBLIC EVENTS IN KOREA

Official ceremony marking co-location of Alberta office in Canadian Embassy in Seoul

News conference with Korean media

Reception for business, government contacts

Canadian Business Club luncheon address

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# J A P A N

*Japan is Alberta's second largest export market after the United States, with 1992 sales in excess of \$1.07 billion, accounting for 42% of Alberta's exports to the Asia Pacific region. Alberta's main exports to Japan are coal, grains, oilseeds, wheat, barley and wood pulp.*

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## ***The world's second largest economy: two thirds of Asia's GNP***

Despite its recession, Japan remains the world's second largest economy (16% of global GNP) and the most developed economy in Asia, with two-thirds of the region's total GNP and the highest per capita income. By the year 2000, Japan will import 8% of the world's goods. The conclusion of GATT, together with Japanese efforts to reduce their trade surplus should create significant opportunities for Alberta to expand trade with Japan.

Although commodity sales will remain important, Japan's status as a high income, mature society means that Alberta's best new trade opportunities are in value-added...processed foods, housing supplies, and other finished products.

## ***Processed foods a key sector: Alberta beef jerky a Japanese favourite***

The agri-food sector is quite lucrative. For example, Alberta beef jerky was introduced to Japan several years ago and is now one of the country's most popular brands. Almost half of Alberta exports to Japan are food-related already, thus the opportunities for expansion are major, especially in processed meats, pasta, canola oil, alcoholic drinks, frozen dough, prepared food, chilled pork and beef.

Another major opportunity is in forestry/building products and related construction and engineering expertise. Yet another good area for Alberta is computer software. Restructuring of Japanese companies is creating opportunities for developers of business software. For example, SMART Technologies Inc. of Calgary has signed an agreement with Suzucom to distribute its interactive computer graphics system in Japan. Another area is health and products for seniors, as Japan's aging society looks for comfort and convenience.

## ***Alberta's third largest source of tourists: over 100,000 in 1992***

Tourism is also key. Already Japan is Alberta's third largest source of tourists, with over 100,000 visitors in 1992. New opportunities in this area include school tours, golf tours and destination tours to , for example, the Tyrrell Museum in Drumheller, Elk Island Park, Head Smashed In Buffalo Jump, in addition to Alberta's national parks and two major cities.

On the investment side, further investment in oil sands is an important priority for this province. A second priority is petrochemicals. Japan has one of the world's most advanced petrochemical sectors, but lack of natural resources has forced it to invest in production facilities in other countries. Several major Japanese petrochemical companies are considering Alberta for investment. Other priority sectors include food processing, forest products upgrading and building products.

In Japan, the Premier visited Sapporo, Osaka, Nagano, and Tokyo. He emphasized Alberta's strengths in food processing, building products, coal and tourism. He stressed that while Alberta is still a secure supplier of raw commodities, it can also provide Japan with a wide variety of finished goods. The Premier generated publicity for several Alberta food products including beef, pork, vegetables, beer and whisky. He encouraged investors to work with Alberta's food processing centre in Leduc to develop foods tailored to Japanese tastes. The Premier identified new opportunities for Alberta in coal and housing and strengthened Alberta's 13-year strategic relationship with the prefecture of Hokkaido.

## SPECIFIC OPPORTUNITIES AND RESULTS

### S A P P O R O

(Hokkaido)

*Sapporo is the capital of Hokkaido prefecture, which was officially twinned with Alberta in 1980. Since then, commercial activity between Hokkaido and Alberta has increased, especially between Edmonton and Sapporo.*

- Alta-Therm Industries of Edmonton signed a multi-million dollar distribution agreement with Housing Yamachi, an importer of North American building products.
- Old Hippy Wood Products of Edmonton attracted publicity and new orders for its "colonial" furniture, now being sold in the Canadian Market Store in Sapporo.
- The Premier and Governor of Hokkaido agreed to strengthen the Alberta-Hokkaido strategic relationship.

*"In November, we signed an exclusive distribution agreement with Housing Yamachi to represent our fibreglass insulated windows in Hokkaido. We were very pleased that Premier Klein was able to witness the signing ceremony. His attendance generated a great deal of media attention and coverage. The publicity has already resulted in new customers for our product in Hokkaido. Alta-Therm normally hires about 75 to 80 in the peak summer construction season, but we are anticipating that our seasonal employment will reach 120 in the near future, and that this new market will keep us much busier in the off-season as well. I'm a great fan of having the Premier spend time in Asia to support our industries' work in those markets."*

*Hugh Dantzer, President  
Alta-Therm Industries Ltd.*

*"The high profile visit by Premier Klein will have a direct and lasting impact on the future of Old Hippy Wood Products ability to prosper in Asia. In Sapporo, the Premier was photographed and televised sitting at a dining room table having tea in the Canadian Market Ltd. Store, which carries a full line of our furniture. The result was an order for 23 of those tables. We shipped our fifth 40-foot container of furniture in December 1993 and thought that would last the Sapporo store for some time. But we will be sending another container load soon to fill their new orders. "*

*Dean Phillips, President  
Old Hippy Wood Products Inc.*

- Hokkaido wants to see a direct air link between Sapporo and Alberta.
- The Governor of Hokkaido sees potential for Alberta and Hokkaido companies to work together in developing oil and gas resources in Russia and China.
- Hokkaido wants to send a friendship mission and two displays of Hokkaido art (modern and aboriginal Ainu) to Alberta in 1995 as part of the 15th Anniversary celebration of the Hokkaido-Alberta twinning relationship. Hokkaido may participate in Klondike Days in 1995 or 1996.
- More than 300 business and government representatives met the Premier at a reception hosted by the Hokkaido Governor, while another 100 business people attended a luncheon address by the Premier about the Alberta Advantage.
- Hokkaido Electric Power, already a major buyer of Alberta coal, may be interested in investing in the province's coal industry.

- Alberta will send a trade official to Sapporo in 1994 for a six-month period to develop new trade ties between Alberta and Hokkaido. (Hokkaido already has a government representative in Edmonton providing similar services).

## O S A K A

*Osaka is the heart of Japan's booming Kansai region. The Kansai has a population of about 22 million and is Japan's second-largest industrial, financial, commercial and population centre after Tokyo. It accounts for about 20% of Japan's economy and, if it were a country, would have the world's seventh largest economy. A number of major new projects are scheduled to open in Osaka in 1994, including the new Asia Pacific Trade Centre and the first 24-hour airport in Japan.*

- The Asia Pacific Trade Centre will house the Ex-Terra Dinosaur Exhibit from June 18 to September 5, 1994. The exhibit committee includes the NHK (Japan Broadcasting Corporation), Asahi Shimbun (one of Japan's leading newspapers and publishing companies) and the Asia Pacific Trade Centre. The committee views the Ex-Terra project as a prestigious world-class cultural event and an example of international cooperation. For Alberta, it should provide a worthwhile vehicle for promoting further trade and tourism initiatives in the Kansai region.
  - Once fully operational, the Asia Pacific Trade Centre will act as a trade facilitator as well as exhibition hall. The Centre will help introduce foreign companies to small and medium sized firms from the area.
  - Sekisui House in Osaka is the largest house manufacturing firm in Japan and for the past five years has purchased supplies from Alberta forestry companies Spruceland Millworks Ltd. and Boucher Bros. Sekisui is an equity partner in the Manning Diversified Sawmill — scheduled for startup in spring 1994 — and will be buying a major part of the mill's production.
  - The Osaka Consulate held an exhibit of products for the elderly which featured the products of two Calgary firms: Clynch Technologies' computer-aided method for making prosthetics and Fitter International Inc.'s new exercise machine. The seniors' market is an important new growth sector for Alberta in Japan.
- We have been working with the Osaka Prefectural Government for some time to assist in the development of a housing project featuring 2X4 construction techniques. While in Osaka the Premier was able to discuss the "Maple Court" project with the Governor of Osaka, and promote the use of Alberta's products and services in the construction stage of the project. The project started with our architectural firm. We now have an Edmonton general contractor (Canadian International Builders, a joint venture with Clark-Bowler Construction Ltd. and Forest Contract Management Ltd.) and building products being supplied by Alberta companies such as Alta-Therm Industries Ltd., Western Archrib, etc. Construction was started in December 1993, and Canadian contractors will start working on site in April. This is a showcase project for Alberta services and building products and is already leading to new business for our housing construction industry in Alberta. The Premier's timely visit assisted our efforts to secure Alberta content in the Maple Court project. Furthermore, in the very near future an official delegation from Osaka is coming to Canada, including a visit to Edmonton in response to the Premier's visit.

*Junichi Hashimoto, Partner  
Hashimoto Boles Architects Inc.*

- More than 100 business representatives met the Premier at a reception promoting Alberta tourism, building products, and agriculture and food products and beverages.
- The Osaka government is working with Canadian International Builders, a joint venture of two Alberta companies, Clark-Bowler and Forest Construction, to construct the \$2.5 million Maple Court Municipal Housing Project in Osaka. The project was planned and designed by Edmonton architects, Hashimoto Boles. Osaka is also considering the use of Canadian wood-frame housing for walkup apartments as an inexpensive solution to its housing shortage.

## N A G A N O

*Located in the Japanese "Alps", Nagano will be host to the 1998 Winter Olympic Games. In a brief weekend visit to Nagano, the Premier met with the Mayor and members of the Nagano Olympics organizing committee. He offered the support of Calgary companies and organizers in helping Nagano meet the challenge of presenting this world-class event. The Premier presented an Olympic torch to the Mayor and various Nagano Olympic officials. Alberta will receive one of Nagano's Olympic torches for its Olympic Museum in Calgary.*

- The Nagano Olympics may provide Alberta companies with some business opportunities in Olympic products. Several members of the Nagano Olympic organizing committee indicated an interest in pursuing ties with Alberta companies.

## T O K Y O

- According to the Keidanren, Japan's leading business federation, Japan's steam coal market should expand by 250% by the year 2000.
- The Keidanren also pointed to continued strong demand for Canadian dimensional lumber and building products and stressed that Japan is the world's largest food importer, importing more than US\$50 billion per year.

Our customer is a very large Japanese retail corporation, and our main contacts are the buyers within its large import division. When they knew that Premier Klein would be visiting one of the stores carrying our vegetables, the message about our product penetrated into much higher levels of the corporation's management. A special "Alberta Carrot" in-store promotion was staged in honour of the Premier's visit. Now as long as we can maintain our quality, we know that the customers will be increasing their orders for our vegetables. Our main challenge will be finding the supply to meet their demand!

*Kaz Yamashiro, General Manager  
Bassano Growers Ltd.*

- Japan's Ministry of International Trade and Industry said prospects are good for trade with Canada, especially in the housing sector as Japan liberalizes its building codes. Ministry officials said Japan hopes to reduce tariffs on lumber and paper and wants to promote more investment in Canadian coal and oil.
- Zenchiku, Japan's largest meat importer and distributor, wants to expand the market for Alberta pork in Japan. Zenchiku already handles a large portion of Alberta's pork exports, which have increased ten-fold in Japan since 1988. (Japan is now Alberta's largest offshore market for pork). Zenchiku is also interested in importing other Alberta food products and in visiting Alberta in 1994.
- Drummond Breweries launched its new Banff Springs beer at a reception attended by more than 150 clients in the beverage trade and more than 30 reporters from newspapers and trade journals. Banff Springs was developed specifically for Japan in partnership with the Japanese firm, XCan Far East Ltd.
- Members of the Alberta Brand Club met the Premier at a private dinner. The Alberta Brand Club was started in 1981 by Alberta Tourism and Canadian Airlines to recognize the members of the Japanese travel industry responsible for generating most of the tourism from Japan to Alberta.
- Seiyu Foods is now importing carrots custom-grown for Japan in Bassano, Alberta. Seiyu is also interested in importing Alberta-grown Japanese squash and yellow onions. A Seiyu-related company, Family Mart, imports french fries from Alberta. Seiyu is part of the Saison Group, one of Japan's largest distribution and retail merchandising groups, with total 1992 revenue of US\$10 billion.
- Over 25 agricultural and food reporters attended a news conference with the Premier highlighting Alberta food products, including Alberta Maki, a new sushi made with Alberta beef.

## MEETINGS IN JAPAN

November 3-10

*Governor of Hokkaido*, Takahiro Yokomichi  
*Northern Regions Centre*, President Y. Kashihara  
*Sapporo International Plaza*, Executive director  
Akiko Sugioka

*Housing Yamachi* President, T. Yamachi

*Hokkaido Electric Co.:*

Executive vice-president M. Annen

General Manager, Fuel Dept., S. Murai

Manager, International planning group, S. Endoh

*Canadian Market Ltd.:*

President M. Hanada

Managing director Y. Tamura

*Canadian Honorary Trade Representative*,  
T. Morihana

*Asia Pacific Trade Centre*, President K. Izutsu

*Sekisui House:*

President I. Okui

Managing Director N. Aotani

*Governor of Osaka*, Kazuo Nakagawa

*Nagano Mayor* Tasuku Tsukada

*Nagano Olympic Organizing Committee*, Chairman  
Kasahara

*Keidanren*, Japan-Canada Economic Committee,  
Committee leader Yoshinari Yamashiro

*Ministry of International Trade and Industry*,  
parliamentary deputy minister O. Endo

*Seiyu Ltd.*, Senior Managing Director, N. Watanabe  
Managing Director, H. Yura

*Seiyu Foods*, President K. Hachisu

*Smile Corp.*, President S. Tottori

*Nippi Collagen:*

President, S. Itoh

Managing Director, Nippi Inc. Y. Osawa

Managing Director, Nippi Collagen, T. Fujimoto

*Zenchiku:*

President Seiichi Uzurahashi

General Manager, S. Nakano

"The Japanese are sensitive to protocol. Having the Premier officiate at the reception to launch our new Banff Springs beer lent greater authority to the occasion. Drummond Brewing's products are made with Alberta wheat and glacier water. The new beer label features the Banff Springs Hotel, which is the destination of approximately 100,000 Japanese tourists every year. We expect sales of the new beer to reach at least 100,000 dozen in 1994."

*Charlie Clark, President  
Drummond Brewing Company Ltd.*

## PUBLIC EVENTS IN JAPAN

Official welcoming ceremony at Hokkaido government building

Joint news conference with Hokkaido governor

Luncheon address to Hokkaido Economic Federation

Agreement signing between Alta-Therm Windows of Edmonton and Yamachi Housing of Sapporo

Visit to Canadian Market Ltd. in Sapporo, distributor of Old Hippy Wood Products of Edmonton

Hokkaido government reception

Interview with Asahi Newspaper in Osaka

Visit to Asia Pacific Centre in Osaka to promote Ex Terra Dinosaur project

Visit to Osaka Show featuring products for the elderly

Reception for Kansai region business contacts

Public meeting with Nagano Olympic Organizing Committee

News conference with Nagano media

Luncheon address to Canadian Chamber of Commerce/Canada Japan Society in Tokyo

Public launch in Tokyo of Drummond Beer's Banff Springs Label

Brand Club reception in Tokyo for tourism contacts

Telephone news conference with Alberta media

Visit to Seiyu Department Store in Tokyo to promote Alberta vegetables

Reception in Tokyo with key contacts

Tokyo food and agriculture news conference

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# C H I N A

*China's economy is one of the fastest growing in the world; GNP growth was 12% in 1992 and is projected to be 13% for 1993 and 10% in 1994. In the last decade, China's GNP has doubled and will likely do so again in the 1990s. China could become the world's largest economy early in the 21st century.*

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## ***The world's largest economy in the 21st century: Alberta's third largest market now***

China has been Alberta's third largest export market for more than 10 years. In 1992 Alberta exports to China were valued at \$546 million, nearly one quarter of all Canadian exports to that country. While wheat is Alberta's main export to China, we have made important breakthroughs in the past decade with other products (for example, petrochemicals, synthetic fibres, oil and gas equipment, and other agricultural products). Alberta has also participated in municipal infrastructure, environmental technology, and agricultural development projects. What may be surprising to many is that China has also become an investor in Alberta's oil sands and forest industries.

### ***Major opportunities in oil and gas development***

In its drive to modernize, China wants to expand and develop its energy industry. China has opened various oil and gas fields to foreign companies for joint ventures in exploration and enhanced recovery, which is creating major opportunities for equity investment, technical assistance, the sale of oil and gas service and equipment. China is also looking for partners in pipeline construction.

### ***Foreign firms needed for international projects***

In agriculture, China is looking for assistance in developing its livestock industry to meet the needs of

a growing urban middle class. Organizations such as the World Bank, Asian Development Bank and CIDA are providing the funds for industry development projects. For example, an Alberta company, AgriTeam Canada, is pursuing opportunities in livestock improvement, training and animal genetics in western China.

China's heated growth is creating opportunities for companies in several of Alberta's key sectors. Forty years of rapid industrialization have created environmental problems such as air and water pollution, soil erosion and contamination of drinking supplies. China urgently needs environmental technology and expertise; China's current five year plan sets aside .85% of GNP for spending on environmental protection of the sort that Alberta's 200 to 300 environmental services companies can provide.

### ***Environmental protection part of current five-year plan***

China's urban population has doubled in the past 10 years and China is set to add another 200 cities by the year 2000. Urbanization is creating the need for municipal infrastructure, especially waste water treatment. As of 1990, only 22% of China's waste water was being treated, even less of its solid waste.

Yet another area of opportunity is petrochemicals. China's petrochemical industry is outdated and inefficient. China is looking to the outside world for help in designing and operating modern petrochemical plants.

## ***Alberta's long relationship with China***

An impressive amount of cooperation and joint ventures already exists between Alberta and China. Alberta companies have a proven track record in providing equipment and service to China's oilfields. Alberta has been providing vocational training and English language instruction in Daqing for over 10 years. Alberta has co-established the China-Alberta Petroleum Centre in Beijing. Alberta and China have also cooperated in numerous economic, scientific and cultural projects through the 12-year-old Alberta-Heilongjiang twinning relationship.

"Canadian Foremost Ltd. was pleased to have been associated with Premier Klein's visit to China last November during our own visit to complete two contracts for delivery of vehicles for the Tarim Basin. Being present at the banquet and meetings with Dr. Wang Tao (the President of CNPC, China's national oil company) was strategically and politically important for our activities in China. We would seldom have the opportunity to meet such a highly-placed official otherwise.

Senior officials from all of China's major trading countries visit to promote their private sector products and services, and Alberta would be conspicuous by our absence if our senior government officials did not visit from time to time, especially to this culture where protocol visits are very highly regarded. In my opinion Premier Klein is an excellent ambassador for promoting Alberta and our companies' technologies and products in Asia. Foremost is continuing its activities in China and is optimistic for its long term potential in this vast market."

*Richard Yost, Manager, Sales & Marketing  
Canadian Foremost Ltd.*

In China, the Premier supported the effort of Alberta's agricultural industry to develop trade in grains, processed foods and livestock development. He promoted Alberta's involvement in international development projects and reconfirmed that Alberta wants to continue supplying China with wheat and barley. He also promoted Alberta's expertise in oil and gas and technology, noting that it could help China deal with the harsh climate in its major oilfields in the far north and in the western desert. The Premier also promoted Alberta's capabilities in hazardous waste management, pollution control and waste water treatment.

The visit to China was hosted by the China National Petroleum Corporation (CNPC), which is responsible for oil and gas development for all of China. The CNPC ensured the Premier, and an accompanying delegation of Alberta business people, had access to representatives of key commercial organizations and ministries in China. The Premier visited Beijing and Heilongjiang.

## SPECIFIC OPPORTUNITIES AND RESULTS

### B E I J I N G

- Dr. Wang Tao, president of the CNPC, said that China's petroleum industry is being opened to the world and that enhanced oil recovery, pipeline construction, refineries and gas processing were all good opportunities for foreign investment. Dr. Wang invited the Alberta government to send a delegation of Alberta companies to visit China and examine the opportunities.
- CNPC is interested in investing in small oilfields and heavy oil production in Canada. In 1992, CNPC invested \$6.5 million in the AOSTRA Underground Test Facility and opened its first overseas subsidiary in Calgary to manage that and future investments. The Premier invited Dr. Wang and the CNPC to attend the National Petroleum Show in Alberta in 1994.

"During his recent trade mission to China, the Premier travelled to the City of Daqing. At the time, Stanley, working jointly with Lockerbie & Hole, were trying to get on the shortlist and be invited to submit a proposal to design, supply and construct a water treatment plant to provide water for the Daqing Oilfield Bureau and the City of Daqing. The Premier's introduction of the Stanley-Lockerbie team added considerable credibility to our proposal. It showed that we are recognized as a leader in the engineering field in our own province and that we have the confidence of our own political leaders. This is very important in China. Premier Klein is well known in Daqing, having made several previous trips there in various political capacities. Because he is well known, his introductory statements carried added credibility which were of great benefit.

We were successful in being invited to submit a detailed price proposal and the Premier was kind enough to follow up with a further letter of support."

*Doug McRae, Senior Water & Sanitation Engineer  
Stanley International Group Inc.*

- The China International Trust and Investment Corporation (CITIC) may be interested in investing in Alberta oil and gas. Investment in Syncrude may be one way to ease China's supply situation, which is being challenged by rapid economic development. CITIC may also be interested in cold weather technology and in making another pulp mill investment in Alberta. CITIC already has invested \$65 million in Sundance Forestry Industries Ltd. in Edson. It has also invested \$3 million in Chauvco Oil Ltd. in Calgary.
- China's National Environmental Protection Agency (NEPA) is especially interested in waste water treatment technology, and in Alberta's hazardous and toxic waste management experience. NEPA plans to build several hazardous waste treatment plants and needs an infusion of foreign environmental technology to do it. NEPA wants to form joint Alberta-China ventures to develop environmental equipment in China.
- Beijing-Canaton Ltd., which makes and sells the Canadian Cold Buster Bar for the Chinese market, celebrated its first anniversary during the Premier's mission. The project is an excellent example of the potential for Alberta-China joint ventures in food processing. Cold Buster bars are now being sold in 20 Chinese cities and sales, which reached \$7 million in the first year, are expected to double in 1994 and triple in 1995. The bar is made with Alberta wheat, honey and starch and was developed with assistance from Alberta's Food Processing Centre in Leduc.
- Alberta and China signed an Official Memorandum of Understanding (MOU) regarding technical standards for boiler pressure vessels.
- The Mayor of Yixing, a city about 60 km west of Shanghai, led a trade delegation to Calgary in January 1994, as a result of meeting Premier Klein. The Yixing delegation promoted investment in their city's industrial park and signed a twinning MOU with the City of Canmore.

## HEILONGJIANG

*One of the most active and productive areas of Alberta's relations with China is its strategic relationship, formalized in 1981, with the province of Heilongjiang. During their meeting, the Premier and the Vice Governor of Heilongjiang reviewed the impressive level of cooperation between their provinces in areas such as oil and gas, animal husbandry, scientific research, education and sports.*

- New areas of cooperation include gas pipelines, airport construction, animal feed and pasture improvement, livestock improvement, and municipal infrastructure.
- The Vice Governor of Heilongjiang agreed that his province and Alberta could jointly develop beef and other agricultural exports for the Russian market.
- Heilongjiang welcomes Alberta's participation in projects funded by the World Bank and Chinese government to upgrade Heilongjiang and other parts of China.
- Heilongjiang is interested in pooling its expertise in cold weather technology with Alberta for projects on the Sino-Russian border.

*"During Premier Klein's visit to the City of Daqing in Heilongjiang Province he witnessed the signing of a joint venture letter of intent between our company, Fortune International Trading Ltd., and the Daqing Petrochemical Complex to build a large scale lubricant refinery in Daqing. We appreciate that Premier Klein worked in a very direct and aggressive manner to support our initiative, showing the high ranking Chinese officials that our company has the endorsement at the highest level of our government. There are still many hurdles to overcome to reach a final agreement on this project, but we believe that the political profile obtained at this early stage of the project will assist us to move it forward. If successful, this will be the most significant joint venture project entered with Heilongjiang and an Alberta company.*

*Albert Wong, President  
Fortune International Trading Ltd.*

"As a joint venture with two Alberta companies and a company from Beijing, the Beijing Canaton company has been manufacturing and marketing the Canadian Coldbuster Bar in China since November of 1992 with great success. The Premier visited the factory during his trip to China on the occasion of our first anniversary in business. We consider ourselves very privileged and honoured to have hosted the Premier, and believe it will be invaluable for stimulating future business expansion. The Coldbuster Bar technology was developed through national funding, and Alberta Agriculture and the Leduc Food Processing Centre helped us turn that into a marketable product. Alberta technology is being recognized in China with this successful joint venture and the Premier's support."

*Dr. Larry Wang, President  
Beijing Canaton*

- The City of Daqing is considering doing business with several Calgary companies. For example, Riddell Architects has signed a letter of intent to design and build the Daqing airport (a \$486 million contract); the Fortune Corporation has signed an agreement in principle to build a lubricants plant in Daqing; and Stanley and Associates has signed a letter of intent to build another water treatment plant.
- The City of Harbin is considering a bid by Interprovincial Pipelines to construct a gas pipeline.

"Premier Klein's visit had a tremendous positive impact on the progress I have made here in China. Prior to his visit I was having real difficulty contacting the correct people within CNPC (China National Petroleum Corporation), CNODC (China National Oil and Gas Exploration and Development Corporation) and the other Chinese oil companies. As a result of contacts I made during the evening dinners I am now able to phone, almost at will, several very senior people within the organizations mentioned above and arrange meetings, field trips and so forth. The Premier's visit truly created the "breakthrough" I was searching for."

*Ian Fraser, China Representative  
Nowsco China*

## MEETINGS IN CHINA

November 10-15

*China National Petroleum Corporation, President, Dr. Wang Tao*  
*National Environmental Protection Agency, Executive Deputy Administrator, Zhang Kunming*  
*Ministry of Foreign Trade and Economic Cooperation, Minister Madame Wu Yi*  
*Coldbuster Factory, President, Li Jian*  
*Ministry of Agriculture, Vice-Minister Wu*  
*China International Trust and Investment Corp., Chairman Wei Ming Yi*  
*Heilongjiang Vice Governor, Sun Kuiwen*  
*Heilongjiang Bureau of Animal Husbandry, Wang Wenbin*  
*Harbin Artificial Insemination Centre, Jiang*  
*Heilongjiang Peoples Congress, Vice-chairman Li Geneshen*  
*Harbin Mayor Suo Changyou*  
*Daqing Dongfeng Water Plant, General Manager, Jia Baogui*  
*Daqing Mayor Xian Dihua*  
*Daqing Petroleum Administration*  
*Daqing Petrochemical Complex, President, Yang Jiuli*  
*Daqing New High-Tech Industrial Development Zone, Deputy Director, Wang Zhihai*

## PUBLIC EVENTS IN CHINA

Signing of Alberta/China Agreement on boiler pressure vessel inspections  
 Signing of MOU agreement between Canasia Developments of Calgary and BTZ of Beijing for construction of luxury hotel  
 Witnessed signing of agreement in principle between Fortune Corp. of Calgary and Daqing Petrochemical Complex for construction of \$100 million lubricants plant  
 Visit to Provincial Peoples' Congress in Harbin  
 Visit to Coldbuster bar factory  
 Visit to China Alberta Petroleum Centre  
 Tour of Daqing Dongfeng Water Plant  
 Tour of Daqing Petrochemical Complex  
 Tour of new high-tech park  
 CNPC banquet  
 CITIC luncheon address  
 Heilongjiang Governor's banquet  
 Harbin Mayor's banquet  
 Daqing Mayor's banquet

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# T A I W A N

*Taiwan is one of the most dynamic economies in the world with an average annual growth rate of 8% since 1980. It has one of the highest standards of living in Asia and has the largest foreign exchange reserves of any country.*

Since Taiwan has to import most of its building materials, lumber and panel products such as medium density fibreboard and orientated strandboard offer Alberta companies the best opportunities in building products.

## ***Taiwanese encouraged to invest overseas: Canada a top target country***

On the investment side, Alberta should pursue Taiwanese investment in oil sands, conventional oil and gas, and processed foods. Another area is petrochemicals. Like Japan, Taiwan's lack of natural resources is forcing it to invest in production plants overseas. Some Taiwan companies are interested in investing in Alberta's pulp industry. Albertans should note that the Taiwanese government has encouraged its agriculture sector to invest overseas and has named Canada as one of the top three preferred countries.

Although Hong Kong is now considered the gateway into China, Taiwan isn't far behind. A significant percentage of Hong Kong investment originates from Taiwan. Taiwanese investment in China exceeded US\$10 billion last year. The heaviest sector of investment is agriculture and food. Alberta exporters who establish relationships with Taiwan companies should be able to identify opportunities in China through their Taiwanese contact.

There is room to increase business immigration from Taiwan, which is Canada's second largest source of business immigration after Hong Kong. Some Taiwanese are considering relocating their families and businesses to other countries. Canada and Alberta offer unique opportunities for Taiwanese business people because of our stable political and economic situation, our high standards of education and health care, our clean and safe cities, wilderness areas, diversity of ethnic backgrounds and languages, our natural resources, and our easy access to the U.S. market through NAFTA.

Tourism is another priority for Alberta. Thanks to reduced restrictions on movement of capital, Taiwanese are travelling in record numbers. Outbound Taiwanese tourists numbered 4.5 million

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## ***Alberta's sixth largest export market: 1992 exports of \$147 million***

Taiwan is Alberta's sixth largest export market, with 1992 exports totalling \$147 million. Primary commodities include petrochemicals, raw hides, petroleum, sulphur, pulp and agricultural products. Alberta maintains a presence in Taiwan through its locally-hired trade representative in the Canadian Trade Office in Taipei.

As Taiwan continues its move toward a modern, developed economy, it is looking abroad for places in which to invest and do business. Taiwan's growing and affluent middle class is hungry for a higher quality of life, including more consumer products, better food, foreign vacations, and environmental upgrading.

## ***Taiwan opening market to food imports: seeking entry into GATT***

Opportunities exist to increase exports of coal, petrochemicals, building products and foods such as beef, pasta, malt and speciality products. Many Taiwanese actually prefer imported food from North America because it tends to have higher health and safety standards. Additionally, Taiwan is lobbying to enter GATT by the end of 1994. Toward that end, Taiwan is considering tariff cuts on 154 farm products that will produce an average 12.5% reduction in existing tariffs. This means Taiwan should become more open to food imports from Alberta.

in 1993 and the number of visitors to Alberta is expected to exceed 30,000 within three years. Taiwanese investors have acquired the Lake Eden Ski resort near Edmonton.

***A market for environmental services: spending of US\$20 billion over next five years***

Environmental services is another key area. Taiwan has introduced stringent environmental standards and has emphasized environmental protection in its new Six Year National Development Plan. Estimates are that the market for environmental services in Taiwan will be US\$20 billion over the next five years. Taiwan companies are looking for foreign partners to improve their environmental performance. Air and water pollution and hazardous waste management are top concerns.

**"We chose to participate with the Alberta Government in Premier Klein's Mission to Asia. We have developed an increased presence in Asia business, primarily through our offices in Taiwan, but also in the Peoples Republic of China and in Hong Kong. Accordingly, I accompanied the Premier in Beijing, Daqing, Taipei and in Hong Kong.**

**Our mission was an unqualified success - we participated in Daqing at a signing of a significant joint venture agreement. In Beijing, we were introduced to two other Alberta firms doing business in China; we subsequently met with them to assist them in their ventures. Finally, in Taiwan our co-sponsorship with the Alberta government of a high level reception and the Premier's participation in our business seminar have enhanced our presence there, with the assistance and support of Alberta's trade representatives in Hong Kong and Taiwan."**

*John C. Armstrong, Q.C.  
Bennett Jones Verchere*

***A new market for Alberta: First visit ever by our Premier***

Taiwan is a relatively new market for Alberta and the aim of the Premier's visit, the first ever by an Alberta premier, was to raise awareness about our province. The Premier assured the Taiwanese of Alberta's commitment to economic relations with them. He promoted Alberta as a stable place for investment in areas such as oilsands, housing products, processed foods, and advanced technology. The Premier promoted the Alberta coal industry's interest in becoming a supplier of coking and thermal coal to Taiwan. Premier Klein also promoted Alberta as a reliable source of high quality food and beverages to meet the demands of Taiwan's increasingly affluent middle class.

**SPECIFIC OPPORTUNITIES AND RESULTS**

- The Taiwan Sugar Corp. expressed interest in sending a small delegation to Alberta to explore investment opportunities in hog production and shopping complexes.
- The chairman of China Steel discussed the possibility of testing Alberta coal as a new source of supply for Taiwan.
- The Premier signed an agreement to provide the Chinese Petroleum Corporation with access to university research commissioned by AOSTRA. The agreement comes at a crucial time because the Corporation is in the final stages of deciding whether or not to make a major investment in oil sands.
- The chairman of the Far Eastern Group is open to discussing new investment. Far Eastern is one of the top five companies in Taiwan and the fourth largest textile maker in the world. Far Eastern has invested CDN\$30 million for a 25% interest in a new ethylene glycol facility being built near Prentiss, Alberta. One of the largest Taiwanese investments in Canada, it is a joint venture with Mitsui of Japan and Union Carbide of the U.S.

- The Premier officially opened a two-week Canadian Food Festival at a reception hosted by Bennett, Jones, Verchere of Calgary, the Chinese National Association of Industry and Commerce and the Canadian Trade Office in Taipei. The event attracted 250 people and generated a lot of free publicity for Alberta beef and canola oil as well as Alberta tourism.
- CP PAK, a consortium of Canadian Airlines and six major Taiwan tour wholesalers, is planning a major campaign to promote tour package sales to Alberta in 1994. The consortium brings about 40 tour groups to western Canada each year.
- About 115 members and guests of the Taiwan Canadian Society met with the Premier and listened to him speak about the Alberta Advantage.
- Considerable interest in business immigration to Alberta. Bennett, Jones, Verchere and the Alberta government co-sponsored a seminar attended by 60 prospective business immigrants. Bennett, Jones, Verchere is the first Canadian law firm to open its Asian headquarters in Taiwan.

"Premier Klein's attendance at the opening of the Canada Food Fair at the Ritz Hotel in Taiwan brought great attention to the food fairs and to the main featured product - Canadian beef - an attention it would not otherwise have received. His involvement raised the profile of Canada, of Alberta, and of our food products. Eight of our exporting members will be visiting Taiwan this spring for a major industry launch, and we are finding a new eagerness from the main beef distributors in Taiwan to assist in organizing seminars and getting their clients out to learn about Canadian beef. We predict that our sales of beef into Taiwan in 1994 will double over 1993."

*Ted Haney, Executive Director  
Canada Beef Export Federation*

#### MEETINGS IN TAIWAN November 16-17

*Far Eastern Group, Chairman Douglas Tom Hsu  
Chinese Petroleum Corporation, Chairman Tzu Yuan Chang  
Foreign Affairs Minister, Fredrick Chien  
CP-PAK, Consortium of Canadian Airlines and Taiwanese tour promoters  
Taiwan Sugar Corporation, President Yu-Huei Chang  
Canadian Society of Taiwan  
Business Management Club of Tamkang University and Cheng-Chi University*

#### PUBLIC EVENTS IN TAIWAN

Agreement between Chinese Petroleum Corp. of Taipei and AOSTRA  
Opening of Canadian Food Fair in Taipei  
News conference  
Reception for business contacts  
Canadian Taiwan Society luncheon address  
Speech to investment seminar co-sponsored by Taipei Immigration Association, Alberta Trade Office and Bennett Jones Verchere

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# HONG KONG

*In 1992, Hong Kong was the 11th largest trading power in the world, with more than \$185 billion in two-way trade. It is one of the world's most important financial centres, second only to Japan in Asia and an important financial crossroads for overseas Chinese from dozens of countries.*

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## *One of the most important financial centres: second only to Japan in Asia*

Hong Kong is Alberta's 16th largest export market, with 1992 exports valued at \$64 million. Alberta's principal exports are artificial filament tow used to make cigarette filters, petrochemical derivatives such as ethylene glycol and polyethylene, leather hides, electronic integrated circuits and micro assemblies.

Hong Kong remains an important source of investment in a wide variety of sectors, including Alberta's conventional oil and gas sector. It is also a source of investment in residential and commercial real estate, telecommunications and tourism.

As in so many other countries in Asia, environmental services is a growing market. Hong Kong lacks the infrastructure to curtail pollution. Hong Kong has budgeted about CDN\$3 billion over the next 10 years to address garbage, sewage and industrial waste problems.

Exports with room for growth include electrical and electronic equipment, processed foods, communication technology and telecommunications.

In the tourism area, the number of visitors from Hong Kong to Alberta increased by 40% in 1992 over 1991. Visitors from Hong Kong often travel to Alberta to visit friends and relatives and to investigate the feasibility of business immigration and other investment opportunities.

## *A gateway to China: also a source of tourism*

Hong Kong is a gateway for many Alberta businesses wishing to do business in the special economic zones of southern China. Hong Kong is also a major source of business immigration for Alberta. As well, tourism from Hong Kong is expanding.

*"At our Hong Kong seminar the Premier met real investors who have a lot of money tied up in Alberta, especially in the oil industry. His discussion with them about the oil industry gave them confidence in the province's stability and government support for business, and made them feel more comfortable about their investments. There were subtle benefits derived from the presence of the Premier, including the confirmation of the credibility of Peters & Co. Limited for our Hong Kong clients. We also know that his attendance at the seminar has generated a positive impact in terms of new investment dollars flowing into Alberta, with significant local benefit.*

*Alan Ross, Principal  
Peters & Co. Limited*

The Premier's visit attracted lots of media interest because it coincided with the U.S. congressional vote on NAFTA and the opening of the Asia Pacific Economic Cooperation summit in Seattle. Throughout his visit, the Premier stressed the importance of Hong Kong to Alberta. He met with current and potential investors at private meetings, luncheons and a large reception attended by several hundred of the key players in the Hong Kong business world. He gave the key address at a luncheon hosted by the Canadian Chamber of Commerce in Hong Kong.

## SPECIFIC OPPORTUNITIES AND RESULTS

- Zheng, Yao-Shun, the former mayor of Daqing and current director of Sinopec, is responsible for a major new oil refinery in Shenzhen, China. He estimates that 30% to 40% of the refinery's engineering component, including equipment, needs to be sourced from foreign countries. Mr. Zheng encourages the participation of Alberta companies in supplying refinery technology and equipment.
- Mr. Zheng is also responsible for a polypropylene plant in Zhenzhen and agreed to provide the Alberta government with more details about possible opportunities for Alberta companies.
- K.S. Li, one of the world's largest investors, hosted a private dinner for the Premier. Mr. Li has major investments in Alberta, including half a billion dollars in Husky Oil and equity holdings in CIBC. Mr. Li has also donated CDN\$1 million to the University of Calgary and about CDN\$400,000 to the Calgary Chinese Cultural Centre. Mr. Li is committed to Husky Oil and to Canada but urged streamlining of the regulatory climate and advised that Alberta's real competition for investment is not among other Canadian provinces but between Canada and the burgeoning economies of Asia.
- Considerable interest was shown in Alberta's oil and gas industry by existing and potential investors at a seminar organized by the Alberta firm, Peters and Co.

## MEETINGS IN HONG KONG November 18-20

*Cheung Kiong Group*, Chairman, K.S. Li  
*SinoPec Petroleum*, Chairman Zheng Yao Shun,  
former Mayor of Daqing  
*Peters and Co.*, meeting with investors in Alberta oil  
and gas sector

## PUBLIC EVENTS IN HONG KONG

Official opening of Multicorp office  
News Conference  
Telephone news conference with Alberta media  
Reception for key Alberta business contacts  
Canadian Chamber of Commerce Luncheon address  
Wreath laying at Sai Wan Cemetery

# CONCLUSION

## A BUSINESS STRATEGY FOR THE ASIA PACIFIC

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As the ones seeking their trade and investment, Albertans need to meet with Asian business and government decision makers on their home ground. November's mission was the first by an Alberta Premier in 10 years. The Premier has a key role to play in making new contacts, opening new doors and promoting the strengths of Alberta's industries and companies.

### *November's mission the first in 10 years by an Alberta Premier*

Our foreign offices also offer invaluable assistance to Alberta companies seeking market intelligence and access to Asian decision makers. Our offices in Seoul, Tokyo, Hong Kong and our representatives in Beijing and Taipei have helped Alberta to establish a strong presence in Asia.

In the end, however, it is up to Alberta's private sector to pursue the opportunities and sign the deals in the Asia Pacific. The Alberta government realizes that our province needs a strategy for intelligently targeting and pursuing opportunities in the Asia-Pacific. Our government soon will release a draft strategy for public review and input.

Our strategy will involve government, business, chambers of commerce, industry associations, ethnic communities, and educational institutions. Its goal will be to increase trade, tourism, investment and business immigration with the Asia Pacific by building on Alberta's strengths in human and natural resources. Related objectives will include:

- maintaining our exports of primary resource products
- increasing our exports of value-added products
- promoting the export of services, including engineering, environmental, oil and gas, software and educational consulting.
- increasing tourism
- increasing investment and pursuing more strategic alliances with Asia Pacific partners
- increasing business immigration

Of course, our ultimate goal in generating new trade and investment is to create new jobs for Albertans here at home.

### *Playing to our strengths*

Our strategy will play to Alberta's economic strengths in agriculture, processed foods, oil and gas, building products, environmental technologies, computer software, among other sectors.

We will continue cultivating contacts through regular business and government visits to Asia. Alberta needs to be and will be active in that part of the world.

Another part of strategy should be to encourage more visits to Alberta by Asian business and government leaders. We should invite Asian decisionmakers to see for themselves the advantages offered by our province.

We will also increase Alberta's cooperation with the federal government in promoting trade and investment opportunities abroad. Already, Alberta has co-located its offices in Tokyo and Seoul in the Canadian Embassy to reduce expenditures and allow for more federal-provincial cooperation. Our trade representative in Taipei is located in the Canadian Trade Office.

***Stronger educational and cultural ties***

We need to develop stronger educational and cultural ties through our sister relationships with Hokkaido, Heilongjiang, and Kangwon. Asians place a strong emphasis on culture and education, which we need to acknowledge and respect.

We need to educate our students in Asian languages and studies. Our business people need to learn Asian languages and cultural practices. We need to increase the Alberta public's awareness of the importance of the Asia Pacific to our economy and our efforts to encourage the creation of good, long-term jobs for Albertans.

***An impressive record of success***

Alberta can achieve its objectives in the Asia-Pacific. Already, Alberta companies are involved in major projects and in developing and distributing value-added products throughout Asia. We have an impressive early record of success, a significant base on which to build. Alberta has the talents, the resources and expertise to become a strong and vibrant partner in the Asia-Pacific community. The hard won and growing prosperity of countries in Asia can lead to renewed prosperity and jobs for Alberta.

***Special Acknowledgement to the Government of Canada***

The success of the Premier's mission to Asia is in no small part due to the assistance of the Canadian embassies and posts in the region, and particularly to the insightful advice and guidance of our Canadian ambassadors: Ambassador Len Edwards in Korea; Ambassador Don Campbell in Japan; Ambassador Fred Bild in China; the director of the Canadian Trade Office in Taipei, Ron Berlet; and Canada's Commissioner in Hong Kong, John Higginbotham. Working closely with our Alberta representatives in each city, the Canadian posts ensured a high level of media interest in Alberta. It is just this sort of "Team Canada" approach that is going to ensure that Canada is a successful participant in the Pacific Century.

# APPENDIX

## MEDIA COVERAGE

*The following is a list of stories about the Premier's Mission which appeared in Canadian and Asian media.*

### Canada:

Can Klein tap markets in the Orient?  
Klein seeks better access to S.Korean marketplace  
Klein must make most of Asian opportunities  
Klein offers no party favors to birthday wellwishers  
South Korea shows interest in oilsands  
It worked in Lethbridge so Klein tries it in Seoul  
Klein in Japan  
Klein's courtesy calls earn warm reception  
Visiting the future in Osaka  
How Old Hippy made it to Sapporo  
Aussies outwork Albertans to attract Japanese business  
Diplomatic debut for Alberta beer in Tokyo  
Alberta firm has heady debut in Far East  
Taste will tell  
Japan powerful, but lacks key resources  
Hosts whisk Klein away on his arrival  
The Chinese mean business  
Calgary firm to build Beijing hotel  
Klein wants piece of China's boom  
Klein tour hits China  
One man's dream builds links between Canada/China  
Credit where credit is due on Alberta links w/Korea  
Klein's graceful diplomacy greets plentiful hospitality  
Daqing ideal market for Alberta know-how  
Klein says Canada must pursue Asian markets  
Klein pleased deal passed  
The game in Taiwan looks, sounds familiar  
Vets applaud Ralph  
Ralph's vision of Hong Kong please HK audience  
Trade mission haunted by concerns about NAFTA  
A visit to graves of Winnipeg riflemen  
Alberta boosts profile in China  
Trip necessary, says Ralph

*Edmonton Journal (EJ) Oct. 30*  
*EJ Nov. 1*  
*EJ Nov. 1*  
*EJ Nov.2*  
*Edmonton Sun (ES) Nov. 2*  
*EJ Nov. 3*  
*EJ Nov. 4*  
*EJ Nov. 5*  
*EJ Nov. 6*  
*EJ Nov. 7*  
*EJ Nov. 8*  
*EJ Nov. 9*  
*Calgary Herald (CH) Nov.9*  
*EJ Nov. 10*  
*EJ Nov. 10*  
*EJ Nov. 11*  
*EJ Nov. 12*  
*CH Nov. 12*  
*Fin. Post Nov. 12*  
*Sun Nov. 12*  
*EJ Nov. 13*  
*EJ Nov. 13*  
*EJ Nov. 16*  
*EJ Nov. 17*  
*Ottawa Citizen Nov. 18*  
*Sun Nov. 18*  
*EJ Nov. 18*  
*Sun Nov. 18*  
*EJ Nov. 20*  
*EJ Nov. 20*  
*EJ Nov. 21*  
*Fin. Post Nov. 22*  
*Sun Nov. 22*

### Korea:

Premier Ralph Klein of Alberta, Canada visits Korea  
Premier Klein of Alberta comes to Korea to invite foreign investment  
Premier of Alberta to arrive in Seoul tomorrow  
Premier of Alberta to make 2-day visit  
Premier Klein requested active Korean investment  
The lowest tax rate in Canada;the best condition for investment  
Korean corporations are welcome in Canada  
Korean corporations' Investment into Alberta, Canada requested  
World Scale Energy and Environmental Technology in Alberta  
Ralph Klein, Premier of Alberta, visits Korea  
Ralph Klein of Alberta comes to Korea  
Premier Klein visits Korea  
Premier Ralph Klein of Alberta travels 5 countries in Asia Pacific  
Canada's Alberta Province seeks energy ventures with ROK firms  
Alberta Premier asks Seoul to open markets wider  
Premier stresses benefits of Canada's Alberta Province

*Korea Travel Times Oct.29*  
*Maeil Economic Daily Oct.29*  
*Korea Herald Oct. 30*  
*Korea Times Oct. 30*  
*Daily Trade News Nov. 3*  
*Seoul Economic Daily Nov.3*  
*Hankook Economic Daily Nov.3*  
*Naeway Economic Daily Nov.3*  
*Maeil Economic Daily Nov.3*  
*Dong-A Daily Nov. 3*  
*Joong-ang Daily Nov.3*  
*Kyung Hyang Daily Nov.3*  
*Seoul Shinmoon Nov. 3*  
*Korea Times Nov. 3*  
*Korea Herald Nov. 4*  
*Korea Economic Weekly Nov.8*

### Japan:

#### Hokkaido:

Events to be held to commemorate 15th Anniversary  
In 1995 commemorative events will be held for the 15th twinning anniversary  
Hokkaido and Alberta agree on expansion of trade  
Commemorative events to be held to commemorate 15th anniversary of twinning

*Yomiuri News Nov. 4*  
*Mainichi News Nov. 4*  
*Asahi News Nov. 4*  
*Hokkai Times Nov. 4*

Visit to Hokkaido government	<i>Nihon Keizai Nov. 5</i>
Agreement with Canadian company-Housing Yamachi imports FRP window frames	<i>Nihon Keizai Nov. 5</i>
Promotion of Treasure Chest of Dinosaurs	<i>Asahi News Nov. 6</i>
Agreed on expansion of cultural exchanges	<i>Hokkaido Shimbun Nov. 8</i>
TV:	
Evening Network Hokkaido, 50-sec story	<i>NHK Nov. 4</i>
ON Time News Program, 50 sec story	<i>HBC Nov. 4</i>
Local news program, 50 sec story	<i>HBC Nov. 4</i>
News First Star, Local news, 50 sec	<i>HBC Nov. 4</i>
Supertime Hokkaido, 60 sec	<i>UHB</i>
<b>Osaka:</b>	
Picture of Premier with M. Huber	<i>Mainichi Daily News Nov.8</i>
Article	<i>Minaichi Shimbun Nov. 8</i>
TV:	
Flush News, 40 sec	<i>NHK Osaka Nov. 5</i>
Kurashi Channel of Daily Life, 2:25 interview	<i>NHK Osaka Nov. 6</i>
<b>Nagano:</b>	
Olympic success depends on citizens	<i>Shimano Mainichi News Nov.8</i>
Oasis column by M. Honda	<i>Yomiuri News Nov. 8</i>
Early planning for site usage after Olympics	<i>Yomiuri News Nov. 8</i>
TV:	
Local news, 75 sec.	<i>NHK Nov.7</i>
Local news 30 sec.	<i>TV Shinsu Nov.7</i>
Local news, 40 sec	<i>Nagano Asahi Nov.7</i>
<b>Tokyo:</b>	
NAFTA negotiation worries Alberta head	<i>Japan Times Nov. 9</i>
A word in the news	<i>Nihon Keizai Nov. 9</i>
NAFTA is a great benefit	<i>Asahi Shimbun Nov.9</i>
Articles	<i>Japan Forest Products Journal Nov. 10</i>
Canada Beef publicized with introduction of Alberta maki	<i>Chikusan Nippo Nov. 11</i>
Article	<i>Japan Meat Products Journal Nov. 11</i>
Alberta maki roll promotes Canada Beef	<i>Livestock Farming Daily News Nov. 11</i>
Support for NAFTA from Premier of Alberta	<i>Nikkan Kogyo Nov. 12</i>
Article	<i>Japan Processed Food Journal Nov. 17</i>
Article	<i>Japan Forest Products Journal Nov. 17</i>
Stable source of food supply for Japan	<i>Sankai Shimbun Nov. 17</i>
Premier of Alberta visits Japan	<i>Nihon Shokuryo Shimbun Nov.19</i>
Article	<i>Shokuhin Shimbun Nov. 26</i>
Articles	<i>Japanese Travel Journal Dec.6</i>
<b>China:</b>	
Alberta Premier Looking for more business	<i>China Daily Business Weekly Nov. 28</i>
<b>Taiwan:</b>	
Alberta chief to boost trade in Taiwan visit	<i>China News Nov. 9</i>
Alberta Premier leads delegation to Taiwan	<i>China Post Nov. 15</i>
Canada-Premier looks for business opportunities	<i>Economic Daily News Nov.15</i>
Premier of Alberta, Canada comes to Taiwan	<i>China Times Nov. 16</i>
Premier of Alberta comes to visit	<i>China Times Nov. 17</i>
Alberta Premier hopes to strengthen economic and trade relationship with Taiwan	<i>Central Daily News Nov. 17</i>
Alberta supports Taiwan ties	<i>China Post Nov. 17</i>
Alberta, CPC sign access accord today	<i>China News Nov. 17</i>
If you want to see Canadian cowboy, come to Alberta	<i>United Daily News Nov.17</i>
Great Space for development in Alberta	<i>Commercial Times Nov. 18</i>
Article	<i>United Daily News Nov. 19</i>
Ralph Klein speaks at luncheon	<i>Business Taiwan Nov. 22</i>
West Edmonton Mall eighth wonder of the world	<i>China Times Nov.23</i>
Alberta's Premier visited Taiwan	<i>Independence Evening Post Nov</i>
<b>Hong Kong:</b>	
Alberta backs global product commitment	<i>South China Morning Post Nov.20</i>
NAFTA must not become a closed trading bloc	<i>Hong Kong Standard Nov.20</i>
Editorial	<i>Canada Hong Kong Business Magazine Jan/Feb 1994</i>



1. The first part of the report is a general introduction to the project. It describes the purpose of the study and the scope of the work. It also mentions the names of the people who were involved in the project.

2. The second part of the report is a description of the methods that were used in the study. It explains how the data was collected and how it was analyzed.

3. The third part of the report is a presentation of the results of the study. It shows the data that was collected and the conclusions that were drawn from it.

4. The fourth part of the report is a discussion of the results. It explains what the results mean and how they relate to the purpose of the study.

5. The fifth part of the report is a conclusion. It summarizes the findings of the study and makes recommendations for future research.

